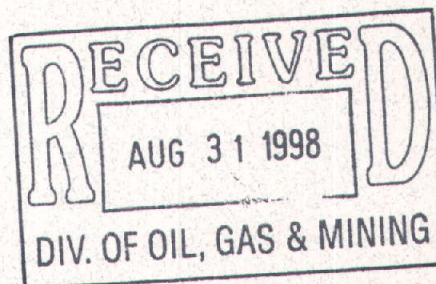


August 31, 1998



Mr. D. Wayne Hedburg
Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Mr. Dennis Frederick
State of Utah
Department of Environmental Quality
Division of Water Quality
288 North 1260 West
Salt Lake City, Utah 84114-4870

RE: Response to Agencies' Comments on USMX of Utah, Inc.'s Closure Plan for the Goldstrike Mine

Dear Mr. Hedburg and Mr. Frederick:

This letter response and the attached revised Closure Plan for the Goldstrike Mine are submitted to your respective Divisions on behalf of USMX of Utah, Inc. This letter and the revised plan are intended to provide a response to all written questions or comments from the Division of Water Quality, Division of Oil Gas and Mining, and the Bureau of Land Management dated May 14, May 14, and May 5, respectively.

Response to Division of Water Quality Comments:

Comment 1. a.: No response necessary.

Comment 1. b.: The Division of Oil Gas and Mining has approved the topsoil and vegetative cover design for the reclaimed heaps at Goldstrike. Fresh water rinsing in the past will have removed sodium from the surface of the heap. Revegetative success to date suggests that salinity in the heaps will not effect vegetation.

Comment 1. c.: A copy of the HELP model inputs have been forwarded to Mr. Dennis Frederick of the Division of Water Quality by e-mail. The inputs used for the HELP model done by JBR Environmental Consultants for the heap leach pads were described in a report entitled "Revised Heap Pad Infiltration Simulation" (two volumes) dated December 22, 1997 which was submitted to the Division of Water Quality.

Comment 2. a.: No response necessary.

Comment 2. b.: The Division of Water Quality has recently approved USMX' land application request. Land application of excess pond solutions will be used to remove excess water from the solution management system until the drainfield is completed and the existing solution ponds are closed. The hydraulic design of the drainfield is consistent with the anticipated peak flows from leach pad drain down (25 gallons per minute), as described on page 16 of the attached revised Closure Plan. The matter of the impact of past discharges to the ponds on backfill retention capacity has been addressed by estimating the impact of any release of drainfield solutions to the local ground water (see Section 3.7, page 14 of the attached report).

Comment 2. c.: The request for land application approval was submitted to the Division on June 15, 1998 and approved by on August 18, 1998.

General Comment on Handling of Post Closure Pad Draindown

Chemical treatment to reduce the concentration of leach pad drain-down water is not possible given the high cost of constructing and operating such a system. The uncertainty of the long term effectiveness and construction and operating costs similarly rule out the use of an anoxic bio-reactor. The nitrate concentration in the drain down, while high, has decreased since leaching has ceased. Recirculation of leach solutions has been stopped for a number of years.

Comment 3. a.: The use of vegetation as a means of reduction of nitrate concentration in the pad draindown water has been considered and nitrogen-consuming plants will be established over the surface of the drainfield. However, significant reduction in nitrate concentration in the leachfield infiltrate by plant uptake has not been estimated for the purpose of evaluating drainfield leachate or ground water quality impacts.

Comment 3. b: The design of the drainfield is complete and described in Section 3.8 of the attached report.

Comment 3. c.: USMX and JBR take exception to the Division's statement that the type of drainfield proposed is regulated by the Federal UIC program. Our reasoning is as follows:

- UAC R317-7-2.29 defines a "well" as "...a bored, drilled or driven shaft, or a dug hole whose depth is greater than the largest surface dimension." A drain field does not fit this definition since its surface dimensions are greater than its depth.
- UAC R317-7-2.30 defines an "injection zone" as "...a geological 'formation,' group of formations, or part of a formation receiving fluids from a well." The material to receive infiltration from the drain field is a man-made fill and cannot be considered a "geological formation."

Therefore, we do not believe that the proposed drainfield requires submission of inventory forms for Class V injection wells.

Comment 4.: The monitoring schedule in the Closure Plan has been changed to reflect the minimum five-year monitoring requirement of the

Comment 5.: The nitrate issue has been addressed in the revised closure plan. Please refer to Section 3.4, 3.6, and 3.7 of that document.

Response to Division of Oil Gas and Mining Comments:

Comment 1.: The surface conditions assumed for HELP modeling of the leach pads was a poorly vegetated condition and although not a worst-case condition, certainly a conservative one..

Comment 2.: This comment is addressed in revised Section 3.8 and the new Section 3.7 of the attached revised Closure.

Comment 3.: This comment is also addressed in revised Section 3.8 and the new Section 3.7 of the attached revised Closure.

Comments 4&5.: The closure plan incorporates these aspects of closure by reference to the existing approved BLM Plan of Operations and DOGM Mining and Reclamation Plan.

Response to Bureau of Land Management Comments

Comment regarding Basin Pit seepage: The seepage in the wall of the Basin Pit is intermittent and occurs following significant rainfall events. Similar seepage occurs high on the Hamburg Pit Highwall and both result from discharge from compartmentalized or perched zones of saturation that result from the presence of relatively impermeable clay horizons beneath fractured bedrock. According to USMX, the discharge in the Basin Pit is not related to a major fault zone.

Comment regarding final grade maps and topsoil amounts for leach pad #2 and the plant site: This information will be provided directly by USMX.

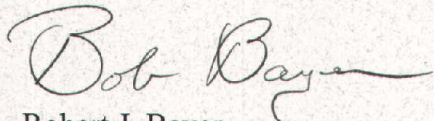
Comment regarding solution pond liner sampling: The closure plan incorporates these aspects of closure by reference to the existing approved BLM Plan of Operations and DOGM Mining and Reclamation Plan.

Comment regarding "acceptable results" for post closure monitoring sample analyses:
We presume this issue will be resolved when the Division of Water Quality revises
Goldstrike's Ground Water Discharge Permit following closure plan approval.

Comment regarding post closure monitoring period: USMX will monitor quarterly until
a series of four samples achieves acceptable results. Thereafter, USMX proposes to
sample annually until monitoring has been completed for a five-year period.

Please contact the undersigned or Mr. Doug Jensen of USMX with any questions that you may
have regarding this letter or the attached revised closure plan.

Sincerely,

A handwritten signature in cursive script that reads "Bob Bayer". The signature is written in dark ink and is positioned above the printed name and title.

Robert J. Bayer
Vice President

cc: Doug Jensen, USMX-Goldstrike